

Awards for Innovation in Higher Education
Information Call Held July 21, 2014
Opening Comments as Prepared for Delivery

Overview

Thank you for joining us on this call today. My name is Chris Lief, and I am the assistant manager at the California Department of Finance responsible for higher education budget and policy issues. With me are Mollie Quasebarth and Christian Osmena, who are working on the day-to-day implementation of the Awards for Innovation in Higher Education. As we will discuss on this call, the Department of Finance is responsible for major components of the program's implementation, including staffing the committee that will allocate the funds, and we hope to serve as a resource to you throughout this year.

Successful implementation of the Awards for Innovation in Higher Education is an important priority for the Administration. On this call, we will address three main topics:

- First, we will provide an overview about recent state actions related to higher education and the Administration's approach to funding for colleges and universities.
- Second, we will provide an overview of the Awards for Innovation in Higher Education program.
- And, third, we will discuss the actions you and your campuses can take to participate in the program and to be competitive for an award.

At the end of the call, we will be happy to answer any questions that you have. However, given the number of participants on this call and the early stage of the planning process, we may not be able to answer all of the questions you have at this time. There will likely be questions we are unable to answer sufficiently until the selection committee has convened.

One of the main purposes of this call is solicit your input on issues we should consider as we develop the process for implementing the program, including how to structure the application and evaluate the applications based on the criteria outlined in the budget. We encourage you to take advantage of two resources we intend to use for ongoing communication:

- The first is our email address, which is innovationawards@dof.ca.gov. This is the email address Michael Cohen used to invite you to this call. We encourage you to send your questions, comments, or feedback to that address. We will check the account regularly.
- The second is our program's website. The address is <http://www.dof.ca.gov/innovationawards/>. We will send that link to those who registered for this call. At that page, we will post information about the program, including the application, when it is available. We intend to post a page that includes responses to frequently asked questions we receive.

If you email questions to us, we may not respond directly to you and may instead add the question to the list of frequently asked questions with responses on this webpage. Our intent is to ensure that we provide consistent responses to anyone who is interested in the program.

At our website, you can also sign up for an email mailing list. We will use this list to provide regular updates and to send notices and agendas for any meetings of the selection committee.

Administration's Approach to Higher Education

I will first provide a brief overview of the Administration's approach to higher education. Recent budgets have prioritized investments in higher education by providing additional resources to the community colleges pursuant to minimum funding guarantees, investing in the UC and the CSU consistent with the Administration's multi-year funding plan, and funding the Cal Grant program and the Middle Class Scholarship Program. The 2014-15 budget includes total funding for higher education of \$26 billion, including \$15 billion in state General Fund resources.

Last year, the Governor and the Legislature articulated several goals for higher education as a whole. These are as follows:

- First, to improve student access and success;
- Second, to better align degrees and credentials with the state's economic, workforce, and civic needs;
- And, third, to ensure effective and efficient use of resources to improve outcomes and maintain affordability.

To make progress toward those goals, the Administration has expressed expectations for each of the public segments. Those expectations are that the segments will:

- Increase the number of students who complete degrees;
- Decrease the time it takes them to complete their programs;
- And, ease transfer for students who come from the community colleges and for those who bring knowledge and skills from other experiences.

Progress toward these goals will require action on the part of the state, the segments, and campuses. The Administration is taking a three-part approach to support that progress:

- First, the UC and the CSU now report annually on a targeted set of performance measures, including the number of degrees they award, their graduation rates, and their students' time-to-completion. The Administration and the Legislature review those reports as part of the budget process.

- Second, the 2014-15 budget requires the UC Regents and the CSU Trustees to adopt plans that detail any changes necessary to ensure the universities' financial sustainability over a multi-year period. These plans will be submitted to the Department of Finance and the Legislature by November 30 of this year and will articulate:
 - The segments' projections of their resources over a three-year period, based on certain funding assumptions provided by the Department of Finance;
 - Their expenditures in those years, including the actions they will take to balance their budgets;
 - The number of students they intend to enroll;
 - And, their goals for each of the performance measures described earlier.

These plans will inform the continuing dialogue between the Administration, the Legislature, and the segments about progress toward state priorities and provide a basis for accountability in future years.

- Finally, as we will discuss further, the budget includes \$50 million for innovation awards to recognize UC, CSU, and community college campuses that take ambitious actions to more effectively use their existing resources and improve the productivity of the state's higher education system as a whole.

Together, these three strategies include roles for the state, the segments, and campuses in making progress toward the state's goals.

Awards for Innovation in Higher Education

I will focus now on the innovation awards. Much of the detail I will discuss is provided in the summary document that was attached to the email inviting you to this call. I will begin with the mechanics of the program and then describe the Administration's rationale in proposing it.

Again, the budget includes \$50 million for these awards, which will recognize and reward UC, CSU, and community college campuses—or groups of campuses—that change existing policies, practices, or systems to achieve the following state priorities:

- Significantly increase the number of bachelor's degrees awarded;
- Allow students to complete bachelor's degrees within four years after beginning higher education; and
- Ease transfer through the state's education system by better recognizing learning that occurs across the state's education segments and elsewhere.

Any California community college, CSU campus, or UC campus may submit, individually or as part of a group, an application for an award to the Director of Finance until January 9, 2015—six months from now.

The recipients of the awards will be determined in the spring of 2015. Awards will be made by a committee chaired by the Director of Finance. Its members will include governing board members from each of the state's public education segments; that is, a member of the State Board of Education, a member of the California Community Colleges Board of Governors, a CSU Trustee, and the UC Regent. The committee will also include appointees of the state Senate Rules Committee and the Speaker of the state Assembly. That committee will be responsible for selecting which campuses receive awards and for determining the amount of funds included in each of those awards.

These awards will be made based on the extent to which the changes described in the applications address the following criteria:

- The first is alignment. This component represents the extent to which the changes made by the campus or group credibly achieve the state's priorities at a lower cost than existing policies, practices, and systems, without requiring that students pay increased tuition or fees.
- The second is scale. This component represents the extent to which the changes involve broad participation by UC campuses, CSU campuses, and community colleges, as well as private colleges and universities and local education agencies, including school districts, county offices of education, and charter schools. The application will also be evaluated based on the extent to which the changes it describes can be replicated by other campuses.
- The third is commitment. This component represents the extent to which the campuses demonstrate commitment to achieving the state's priorities, as evidenced by the following: changes made on or after January 10, 2014; the likelihood that any planned changes would be implemented; the support of faculty, students, and other individuals and groups involved in or impacted by these changes; and the ability to sustain changes over the long-term.

The number of awards and award amounts will be determined by the selection committee. For your planning purposes, Finance's intent, as staff to the committee, is to recommend that individual awards are no smaller than \$2.5 million, which would mean that there would be no more than 20 awards. It is very likely that we would propose some larger awards. We want to emphasize, however, that the committee will make the final determination about the award levels. We intend to make a more detailed proposal related to the allocation of funds at the first committee meeting.

As a condition of receiving an award, a campus or group selected for an award will be required to report on how the funds will be used and commit to reporting to the state about the effectiveness of its changes in advancing the state's priorities.

Use of the funds must be approved by the committee before the Director of Finance will distribute an award to that campus or group. We would emphasize that these are awards for actions that campuses are taking. The budget does not require that funds be used to support the costs of the changes campuses make to apply for the awards.

This program is different than a traditional grant program in a few important ways:

- First, rather than submitting a proposal that describes the actions a campus would take if it were to receive funding, this program requires a campus to have already taken actions in order to apply and to commit to making future changes as part of the application process. Furthermore, these awards are not intended to support the costs of implementing changes or to fund ongoing costs of any new programs. Instead, campuses should be using available resources to address the state's expectations, and the program recognizes those campuses that take the most ambitious steps to reorient their operations to meet the state's goals.
- Second, the amount of funds included in an award will not be directly linked to the costs a campus incurs to make any changes. Instead, the available funds will be allocated based on the extent to which the selected campuses address program criteria. As we have discussed, campuses that are selected for awards will be required to submit an expenditure plan for approval by the selection committee.

There are two points that we believe are central to the rationale for this program:

- First, because the state budgets separately the K-12 schools, the community colleges, the UC, and the CSU, these education segments do not necessarily have a fiscal or structural incentive to integrate their efforts to ensure efficient use of the state's resources. For example, lower-division college courses are offered in each of the segments, including in K-12 schools that offer Advanced Placement and International Baccalaureate courses and other programs. However, when a student transfers between systems or to one of the universities, that student may be required to take a nearly identical course, depending on the program requirements at a particular campus. This Administration's intent is for campuses across different systems to better align their efforts and reduce duplication.
- Second, these awards are being made to campuses, because we understand that within each of the segments, many of the decisions that impact student performance and success are made locally. The program encourages campus leaders to evaluate the impacts of existing policies and practices and change those that are unnecessary and can stifle improvements in productivity.

The program focuses on outcomes, rather than particular strategies, which we hope will provide you with flexibility to determine which changes make the most sense on your campuses. The individuals registered for this call represent many different functions at the campuses, including undergraduate education, student affairs, technology, and business operations, and we know that the leadership of campus presidents and chancellors is essential.

We think there are changes that campuses can make to be competitive for these awards that will involve many or all of these individuals. These could include changes to policies surrounding dual and concurrent enrollment; improvement in remediation practices; articulation of courses across institutions; implementation of effective programs focused on recognizing competency and prior learning; redesign of faculty and instructor workload; expansion of effective online learning and other ways of delivering instruction; the use of smarter business and operational practices; and better use of existing space and creative alternatives for addressing infrastructure needs. We emphasize that this is by no means an exhaustive list, and there are likely other changes that campuses could make that do far more to advance the state priorities identified in this program. The program's intent of focusing on outcomes, rather than strategies, is to access the expertise campus leaders bring to this conversation.

Future Actions

I'll close by describing the actions you should take in the near term. As we discussed earlier, please feel free to send any questions, comments, or feedback to our email address, which is innovationawards@dof.ca.gov. If you would like to continue to receive information about the program, please visit our website at <http://www.dof.ca.gov/innovationawards/> and sign up for our mailing list.

We anticipate that the selection committee will be convened and hold its first meeting, which would be open to the public, by early September. We intend for the committee to approve an application and any other forms necessary to seek an award, as well as a detailed calendar for future actions. Once these items have been approved, they will be posted on our website.

However, we encourage you to keep thinking about and taking actions as soon as possible. As we have discussed, the program criteria focus on actions taken since January 10, 2014.

Finally, we encourage you to work with the leaders of your respective segments to determine how system resources can be used to support your ongoing efforts. The state's budget provides the segments with significant flexibility to allocate resources to meet these goals, and we hope that you will discuss with your segment leaders how they might do so.

Thank you for joining us on this call. We would be happy to take any questions.